

DIVISION OF HUMAN RESOURCES  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
CLASSIFICATION/COMPENSATION

TEST FOR ADMINISTRATIVE EXEMPTION FROM MINIMUM WAGE  
AND OVERTIME PAY STANDARDS (29 CFR, Part 541)

Position Classification: \_\_\_\_\_ Position Number: \_\_\_\_\_  
Employee Name: \_\_\_\_\_  
Institution/Division: \_\_\_\_\_ Department/Unit: \_\_\_\_\_

The Fair Labor Standards Act (FLSA) considers employees subject to overtime and minimum wage requirements unless their positions have been specifically determined to be exempt. This exemption is based on an evaluation of the employee's duties and responsibilities, which may offer an exemption if the position is considered executive, administrative, professional learned, professional creative, or in a computer-related occupation (Section 13(a) (1)). This document is designed to apply a "test" to determine whether an employee/position is exempt or non-exempt according to FLSA criteria.

For detailed definitions and exemption requirements:

1. click on this website: <http://www.dol.gov/esa/regs/compliance/whd/fairpay/main.htm>
2. click on "Administrative Employees."

**ADMINISTRATIVE EMPLOYEE**

An employee is exempt as an administrative employee, if all conditions are met.

|  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| 1. Is the employee compensated, on a salary or fee basis at a rate not less than \$455 per week?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the employee's primary duty performing office or non-manual work that is directly related to the management or general business operations of the organization and its customers?  | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Discussion: The phrase "directly related to management policies or general business operations" describes those types of activities that reflect the employee's work that involves assisting with running or servicing a business, as distinguished from "production" work. Administrative operations include work by employees <u>servicing</u> a business, for example, advising management, planning, negotiating, purchasing, and business research and control. Management or general business operations includes (however, is not limited to) work in the areas of research, quality control, legal/regulatory compliance, public/government relations, safety and health, personnel management, human resources, employee benefits, accounting, and/or auditing.</p>  |                          |                          |
| 3. Does the employee customarily and regularly exercise discretion and independent judgment relative to matters of significance?   | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Discussion: In general, the exercise of discretion and independent judgment involves the comparison and the evaluation of possible courses of conduct and acting or making a decision after the various possibilities have been considered. The term implies that the person has the authority or power to make an independent choice, free from immediate direction or supervision, and with respect to matters of significance. An employee who merely applies his/her knowledge in following prescribed procedures or to determine which procedure to follow, or who determines whether specified standards are met or whether an object falls into one or another of definite grades, classes or other categories, is not exercising discretion and independent judgment within the meaning of this definition.</p> |                          |                          |

**Final Determination**

Exempt ☐

Non Exempt  
(subject) ☐

Reviewed: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_